

- Operating result 12(12), EBT 5 (25), EBIT 12 (33), EBITDA 32 (57)
- Solid sales growth of 14% in Unitor Ships Equipment
- NIBD below MNOK 300

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Financial performance

Operating revenues for the quarter was MNOK 562 (556) and includes gain of MNOK 3.5 from the sale of a building in USA. Total revenues were slightly up on last year when adjusted for positive currency effect of MNOK 8 and negative revenue effect of MNOK 10 by Unitor FiFi, a subsidiary sold with effect June 1st 2003. Ships Service experienced a volume decline of 1.5%, while Ships Equipment adjusted for the FiFi revenue shortfall, delivered a growth of 14%

The operating result was MNOK 12 as previous year. It also includes MNOK 5.8 in accruals to cover costs in connection with the decision to dissolve Marine Alliance. These costs are booked as other operating costs according to the equity method. EBITDA was MNOK 32 (57) and EBIT was MNOK 12 (33), both ratios are lower than previous year due to no USD cash flow hedges effect this year. EBT was MNOK 5 (25). Previous year included a positive USD cash flow hedge of MNOK 21.

Net interest bearing debt has been further reduced this quarter and is now MNOK 295 (434), a decline of MNOK 22 from previous quarter. Total assets ended at MNOK 1.613 (1.718) a decline of MNOK 31 from previous quarter. The equity increased to MNOK 878 giving an equity ratio of 54.

The positive generated cash flow from operations was MNOK 19 (83), which is slightly down from previous quarter.

Unitor Ships Service

Third quarter revenue from Unitor's traditional marine supply and service business totaled MNOK 424 (425)*. Average order size was NOK 9.207; up from the same period 2002 (8.759) and the second quarter 2003 (8.510). Larger average order size is a key Unitor objective, benefiting both customers and Unitor. A total of 41.902 orders were delivered; down from the same period 2002 and the second quarter 2003.

Stable freight rates in most shipping segments led to stronger sales in the Far East, the Americas and South East Europe markets. To further support the growth in sales to Far East customers Unitor sales organization in Greater China was strengthened with the addition of personnel in Shanghai and Dalian.

Comparing the third quarter year on year, Business Unit (BU) Chemicals, BU Refrigeration and BU Maintenance & Repair all showed positive growth. On a year-to-date basis, BU Chemicals and BU Refrigeration showed stable trends. The BU Safety

experienced a decline compared to last year and this is partly due to the EEED campaign where deliveries started in 3q last year. This campaign was completed 1q this year. A lot of effort has been put into changing the trend for BU Maintenance & Repair and through training of the whole sales force Unitor seek to revitalize the focus on cylinders, gas and welding products.

In September Unitor and BP Marine agreed to dissolve The Marine Alliance and focus individually on their respective customers' requirements. This transition will be completed no later than 1 January 2004. This change, which is in line with the strategy, allows Unitor to gain complete control over the entire order process and facilitates the creation of a flexible, customer-orientated organization with improved service levels. Unitor will keep the Customer Service Center structure with main representation in Oslo, Piraeus, Rotterdam, Houston and Singapore. The head count will increase as a consequence of this with 104, but the financial effect will be neutral.

*Including sales of chemical products to the industrial sector of MNOK 29 (25)

Unitor Ships Equipment

Third quarter revenue from the Ships Equipment division totaled MNOK 138 (131), reflecting a continued high level of new building activity, particularly in the Far East.

The Marine Systems group generated revenues of MNOK 103 (84). The order intake for Marine Systems was MNOK 130 (112). Orders for safety systems accounted for MNOK 70 of the order intake. The order reserve at the end of September is MNOK 266

Revenue from Marine Contracting (MC) was MNOK 35 (37). The order intake was MNOK 70 growing the order reserve to a solid MNOK 295.

As reported last quarter, Unitor has divested FiFi Systemer AS with minimal financial effect.

The USE organization was adjusted to better align with its strategy to be closer to customers and suppliers and operate as efficiently as possible. Product management for Safety Systems was moved to Shanghai, China, while product management for Heating, Ventilation and Air Conditioning systems (HVAC) and Nitrogen Systems was moved to Szczecin, Poland. A Product Innovation group was established at the head office.

The division's total order reserve at the end of September 2003 was MNOK 561. Of this MNOK 145 is due for delivery in 2003 and the rest in the following years up to 2006.

| Key ratios | | 2003 | 2002 | 2003 | 2003 | 2002 |
|------------------------------------|--------|--------|--------|--------|--------|--------|
| | | 3 q | 3 q | 2 q | 1 q | 4 q |
| Operating revenues | MNOK | 562 | 556 | 536 | 535 | 530 |
| EBITDA | MNOK | 32 | 57 | 56 | 66 | 43 |
| EBIT | MNOK | 12 | 33 | 36 | 46 | 23 |
| EBT | MNOK | 5 | 25 | 31 | 18 | (33) |
| EPS | NOK | 0.16 | 0.91 | 0.95 | 0.55 | (1.30) |
| Cashflow from operations | NOK | 19 | 83 | 25 | 30 | 92 |
| Earnings per share fully deluted | NOK | 0.16 | 0.91 | 0.95 | 0.55 | (1.30) |
| Operating margin | % | 2.2 | 2.2 | 2.1 | 0.8 | (1.1) |
| EBITDA margin | % | 5.7 | 10.2 | 10.4 | 12.4 | 8.2 |
| EBT/Sales | % | 0.9 | 4.7 | 5.8 | 3.4 | (6.2) |
| Return on capital employed (ROCE)* | % | 3.9 | 3.2 | 3.5 | 1.3 | (1.8) |
| Return on equity (ROE)* | % | 1.4 | 8.3 | 8.6 | 5.1 | (12.0) |
| Average sale pr. order | NOK | 9 207 | 8 759 | 8 510 | 8 649 | 8 632 |
| Number of orders | Number | 41 902 | 44 612 | 43 341 | 42 525 | 42 846 |
| Number of employees | Number | 1 181 | 1 243 | 1 185 | 1 234 | 1 251 |

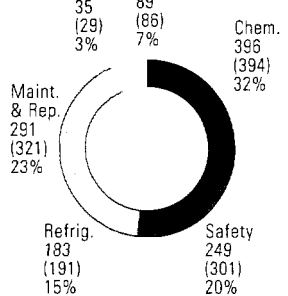
* Annualised

Definition: EBITDA = (Ordinary operating result** + Ordinary depreciation + Net currency hedge)

** Ordinary operating result is corrected for accruals and write downs from restructuring and discontinued activity

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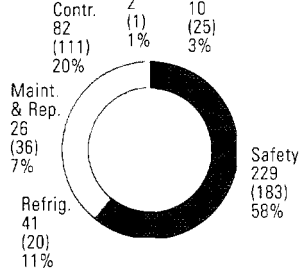


SALES BY PRODUCT GROUP

UNITOR SHIPS SERVICE ytd

Total MNOK 1.243 (MNOK 1.322)

(I)= 2002 figures

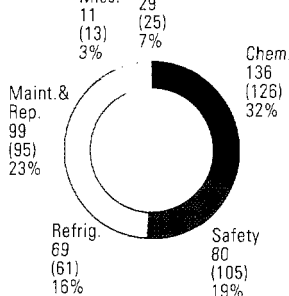


SALES BY PRODUCT GROUP

UNITOR SHIPS EQUIPMENT ytd

Totalt MNOK 390 (MNOK 376)

(I)= 2002 figures

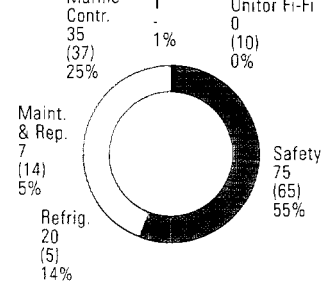


SALES BY PRODUCT GROUP

UNITOR SHIPS SERVICE 3 q

Total MNOK 424 (MNOK 425)

(I)= 2002 figures



SALES BY PRODUCT GROUP

UNITOR SHIPS EQUIPMENT 3 q

Totalt MNOK 138 (MNOK 131)

(I)= 2002 figures

Profit and loss statement

| MNOK | 2003 YTD | 2002 YTD | 2003 3 q | 2002 3 q | 2002 |
|------------------------------------|--------------|--------------|-------------|-------------|--------------|
| Operating revenues | 1 633 | 1 698 | 562 | 556 | 2 228 |
| Cost of goods sold | 915 | 932 | 313 | 308 | 1 227 |
| Wages and social benefits | 319 | 328 | 108 | 103 | 444 |
| Other operating costs | 311 | 318 | 108 | 109 | 419 |
| Ordinary depreciation | 61 | 71 | 21 | 24 | 93 |
| Restructuring cost and Write downs | 20 | 5 | 0 | 0 | 53 |
| Operating result | 7 | 44 | 12 | 12 | (8) |
| Net interest income/ (costs) | (8) | (11) | (3) | (4) | (13) |
| Net other financial gain/ (loss) | 55 | 20 | (4) | 17 | 41 |
| Net financial costs | 47 | 9 | (7) | 13 | 28 |
| Earnings before tax | 54 | 53 | 5 | 25 | 20 |
| Estimated taxes | 21 | 17 | 1 | 8 | 10 |
| Net profit | 33 | 36 | 4 | 17 | 10 |

Balance sheet

| MNOK | 2003 3 q | 2002 3 q | 2002 |
|---|--------------|--------------|--------------|
| Total assets | 1 613 | 1 718 | 1 615 |
| Total paid-in equity | 599 | 599 | 599 |
| Other equity | 279 | 269 | 236 |
| Total equity | 878 | 868 | 835 |
| Long term interest bearing liabilities | 393 | 518 | 437 |
| Other long term liabilities | 10 | 4 | 9 |
| Short term interest bearing liabilities | 0 | 0 | 0 |
| Other short term liabilities | 332 | 328 | 334 |
| Total liabilities | 735 | 850 | 780 |
| Total equity and liabilities | 1 613 | 1 718 | 1 615 |

Revenues/Result per Division

| | 2003 YTD | 2002 YTD | 2003 3 q | 2002 3q | 2002 |
|--------------------------|-------------|-------------|-------------|------------|-------|
| Operating Revenue | | | | | |
| Division Ships Service | 1 243 | 1 322 | 424 | 425 | 1 734 |
| Division Ships Equipment | 390 | 376 | 138 | 131 | 494 |

Operating Result

| | 2003 | 2002 | 2003 | 2002 | 2002 |
|---------------------------------|-------|-------|------|------|-------|
| Division Ships Service | 139 | 204 | 47 | 79 | 194 |
| Division Ships Equipment | 42 | 31 | 15 | 16 | 30 |
| Division Head Office and others | (174) | (191) | (50) | (83) | (232) |

Analysis of cashflow

| MNOK | 2003 YTD | 2002 YTD | 2003 3 q | 2002 3 q | 2002 |
|--|-------------|-------------|-------------|-------------|-------------|
| Net change in cash from operation | 74 | 267 | 19 | 83 | 362 |
| Net change in cash from investments | 0 | (38) | 2 | (3) | (58) |
| Net change in cash from financing | (44) | (289) | (25) | (111) | (380) |
| Net change in cash | 30 | (60) | (4) | (31) | (76) |
| Cash position 01.01 | 68 | 144 | 102 | 115 | 144 |
| Cash position 30.09 | 98 | 84 | 98 | 84 | 68 |

Equity

| | Paid-in equity | Other equity | Total Equity |
|-------------------------------|----------------|--------------|--------------|
| Equity per 31.12.01 | 599 | 236 | 835 |
| Net profit | | 33 | 33 |
| Currency exchange differences | | 10 | 10 |
| Equity per 30.09.03 | 599 | 279 | 878 |

The Financial Statements are presented in accordance with the Accounting Act and Norwegian Generally Accepted Accounting Principles.
No changes in principles from Annual Report 2002.

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